

Message Text

SECRET

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70-62

ACTION SS-25

INFO OCT-01 ADP-00 /026 W

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R 052235 Z APR 73

FM AMEMBASSY SANTIAGO

TO SECSTATE WASHDC 3931

S E C R E T SANTIAGO 1447

EXDIS

E. O. 11652: GDS

TAGS: CU, MASS, PFOR

SUBJECT: FMS PROBLEM

REF: SANTIAGO 1364, STATE 060026, SANTIAGO 1341

1. CENTRAL BANK PRESIDENT INOSTROZA TELEPHONED ME THIS AFTERNOON. HE SAID HE WAS DISTURBED BY ALMEYDA' S REPORT TO HIM MONDAY AFTERNOON OF MY CONVERSATION WITH ALMEYDA. HE REPORTED ME AS ATTRIBUTING HIS (INOSTROZA' Z) POSITION TO BE A REQUEST IN THE PENTAGON TALKS THAT CHILE BE RELIEVED OF ALL FMS PAYMENTS FALLING DUE FOR 1973 AND 1974. I SAID THAT WAS MY IMPRESSION. INOSTROZA SAID THERE MUST BE SOME MISUNDERSTANDING, AS WHAT HE HAD PROPOSED FOR THE CURRENT PERIOD WAS THAT CHILE PAY INTEREST PLUS 5 PERCENT OF PRINCIPLE TO A TOTAL OF 21 PERCENT OF SERVICING DUE. I REMARKED THAT I DOUBTED THAT MY GOVERNMENT COULD BE EXPECTED TO AGREE TO SUCH AN ARRANGEMENT - WHICH IMPLIED BOTH A LINK TO A FUTURE PARIS FORMULA AND THE ANTICIPATION OF THE RESULTS OF OUR FORTHCOMING PARIS DISCUSSIONS. INOSTROZA SAID THAT ANOTHER ALTERNATIVE WOULD BE TO SIGN THE 1972 AGREEMENT AS IT STOOD. HE WENT ON TO SAY THAT IT MIGHT BE USEFUL IF HE GAVE ME A BRIEF INFORMAL MEMORANDUM SETTING OUT THE STATE OF PLAY IN THE PENTAGON TALKS. HE SUGGESTED THAT I READ THE MEMO, WHICH HE PROMISED WITHIN THE NEXT DAY OR TWO, AND THAT WE THEN MEET AND TALK ABOUT WHERE WE STOOD.

2. COMMENT AND ACTION REQUEST: I WOULD APPRECIATE AN UPDATED STATUS REPORT ON FMS IN LIGHT OF ALMEYDA' S AND
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INOSTROZA' S COMMENTS. I ASSUME WE ARE NOT IN A POSITION TO ACCEPT A RENEGOTIATION OF 1973-1974 FMS SERVICING. AS A PRACTICAL MATTER, CCOMMODATIONS FOR CREW WILL BE HANDLED SEPARATELY WITH ATTACHE VIA MILITARY CHANNELS.

3. EMBASSY SPACE: OFFICE SPACE WILL BE REQUIRED FOR THE DEPUTY SECRETARY, MR. SISCO, THE DEPUTY SECRETARY STAFF, S/ S OPERATION, AND THE TRIP CONTROL OFFICER. S/ S WILL BE PROVIDING YOU WITH ANY SPECIAL REQUIREMENTS THEY MAY HAVE BY SEPARATE MESSAGE. YOU WILL NEED A POST CONTROL ROOM CENTRALLY LOCATED (PREFERABLY IN HOTEL) FOR ADMINISTRATIVE SUPPORT, ACCOMMODATION EXCHANGE, VEHICLE DISPATCH, CIGARETTES, ETC., AS REQUIRED.

4. PERSONNEL SUPPORT: THE DEPUTY SECRETARY WILL BE ACCOMPANIED BY THREE STAFF MEMBERS, INCLUDING HIS SECRETARY, AND THE USUAL S/ S SUPPORT GROUP (AN OFFICER AND A SECRETARY). MR. SISCO WILL BE BRINGING ONE SECRETARY. YOU SHOULD, HOWEVER, BE PREPARED TO PROVIDE ADDITIONAL SECRETARIAL SUPPORT ONE OR TWO SECRETARIES.

5. COMMUNICATIONS: S/ S WILL GIVE YOU GUIDANCE ON THEIR SPECIAL REQUIREMENT BUT AS A MINIMUM 24 HOUR TELEGRAPHIC COVERAGE WILL BE REQUIRED. IN ADDITION YOU MAY NEED CLASSIFIED COURIERS TO MOVE COMMUNICATIONS BETWEEN THE CHANCERY AND WHERE THE PRINCIPALS ARE HOUSED. WE ARE HOPEFUL THAT POSTS WILL BE ABLE PROVIDE THIS COVERAGE WITHOUT ADDITIONAL COMMUNICATIONS STAFF BUT IF NECESSARY LET
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US KNOW AND WE WILL ARRANGE TDY COMMUNICATION ASSISTANCE.

6. SECURITY: SINCE WE ARE ESPECIALLY CONCERNED ABOUT SECURITY, THREE SY OFFICERS, AS INDICATED ABOVE, WILL TRAVEL WITH THE DEPUTY SECRETARY AND PARTY. ONE WILL BE VISITING EACH POST IN ADVANCE TO WORK WITH YOU ON SECURITY ARRANGEMENTS. IF ADDITIONAL MARINES ARE NEEDED WE CAN ARRANGE FOR TDYERS, BUT LET US KNOW THE NUMBER OF PEOPLE REQUIRED. IN CONSIDERING YOUR NEEDS BEAR IN MIND THAT MARINES ARE IN SHORT SUPPLY AND REQUIREMENTS SHOULD BE HELD TO THE MINIMUM NUMBER NEEDED.

7. TRANSPORTATION: IT IS DIFFICULT TO SAY MUCH ABOUT VEHICLE REQUIREMENTS PENDING DEVELOPMENT OF THE FINAL SCHEDULE OF ACTIVITIES. WE HOPE YOU WILL BE ABLE TO

COVER WHATEVER IS NEEDED IN THE WAY OF TRANSPORTATION BY USING EMBASSY AND OTHER USG VEHICLES AT POST. MAKE CERTAIN YOU HAVE SECURITY CLEARED DRIVERS PARTICULARLY FOR THE PRINCIPALS AND THEIR WIVES.

8. OTHER FACILITIES:

A. UPON ARRIVAL THE TRIP SUPPORT OFFICER WILL DELIVER ALL PASSPORTS AND HEALTH CARDS TO EMBASSY CONTROL OFFICER FOR BULK ENTRY/ EXIT PROCESSING OF PASSENGERS AND BAGGAGE. POSTS SHOULD ATTEMPT OBTAIN WAIVER OR SIMPLIFIED PROCEDURE FOR PROCESSING THROUGH CUSTOMS AND IMMIGRATION.

B. ARRANGE WITH HOTEL FOR RAPID PRESSING AND LAUNDRY SERVICE. ADVISE DEPT OF THESE SERVICE ARRANGEMENTS.

C. ARRANGEMENTS SHOULD BE MADE IN ADVANCE FOR HAIRDRESSERS TO BE AVAILABLE IF REQUIRED BY THE LADIES. ADVISE DEPT OF THESE ARRANGEMENTS.

D. S/ S WILL ADVISE OF OTHER SPECIAL COMMUNICATIONS AND SUPPORT REQUIREMENTS BY SEPARATE TELEGRAM.

9. FOR DACCA AND KABUL: SINCE THE STAY IN DACCA AND KABUL WILL BE ONLY A MATTER OF HOURS YOU DO NOT NEED TO RESPOND TO THOSE PORTIONS OF THIS MESSAGE WHICH REQUIRE ARRANGEMENTS FOR HOTELS, LAUNDRY SERVICE, ETC. THE AMOUNT OF BAGGAGE AND OFFICIAL EQUIPMENT TO BE OFF- LOADED WILL BE MINIMAL.

10. FOR CINCPAC: WOULD APPRECIATE HELP IN ARRANGING AC-
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COMMODATIONS FOR DEPUTY SECRETARY RUSH, MRS. RUSH, THE SISCOS AND PARTY FOR EVENING APRIL 14. RUSH

UNQUOTE
ROGERS

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*** Current Classification *** SECRET

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